
**Trade & Economic Development
Committee**

ESSB 6026

Brief Description: Authorizing special assessments to fund convention and tourism promotion.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senator West).

Brief Summary of Engrossed Substitute Bill

- Authorizes counties and incorporated cities and towns, that has a county population between 400,000 but less than one million and that has created a parking and business improvement area, to levy a special assessment on lodging of up to \$2.00 per room, per night, to fund the promotion of conventions and tourism in the area.

Hearing Date: 3/28/03

Staff: Tracey Taylor (786-7196).

Background:

Under state law, all counties, cities, and towns (local governments) may create parking and business improvement areas that are designed to aid general economic development and to facilitate merchant and business cooperation. A parking and business improvement area may be established by either having: (1) the owners of property located within the geographic boundaries of the proposed parking and business improvement area submit an initiation petition to the legislative authority of the local government having jurisdiction over the area; or (2) the legislative authority of the local government passes an initiation resolution to create the parking and business improvement area.

The initiation petition or resolution must contain: (1) a description of the boundaries of the proposed area; (2) the proposed uses and projects to which the proposed special assessment revenues shall be put and total estimated cost thereof; and (3) the estimated rate of levy of special assessment with a proposed breakdown by class of business and multifamily residential or mixed-use project if such classification is to be used. The petition must be signed by the business and residential operators in the proposed area which would pay 50 percent of the proposed special assessment.

The legislative authority of the local government, after receiving a valid initiation petition from the property owners or after passage of an initiation resolution, must adopt a resolution of intention to establish a parking and business improvement area. During the public hearing process for the establishment of a parking and business improvement area, the legislative authority of the local government may change the geographic boundaries of the proposed area. The legislative authority of the local government must provide notice and give the public at least 15 days, after the proposed boundary change, for the public input.

The activities in a parking and business improvement area are financed through a special assessment that is imposed on businesses, multifamily residential developments, and mixed-use developments located within the geographic boundaries of the area. The assessments can be used to finance: (1) construction, acquisition, or maintenance of parking facilities in the area; (2) decoration of public areas; (3) promotion of public events in public places in the area; (4) furnishing of music in any public place in the area; (5) provision of maintenance and security of common public areas; or (6) management, planning, and promotion of the area, including the promotion of retail trade activities in the area.

Parking and business improvement areas are not explicitly authorized to promote tourism.

Summary of Bill:

Counties and all incorporated cities and towns are authorized to levy a special assessment on lodging to aid general economic development and neighborhood revitalization by promoting tourism and conventions. In order to levy this charge, the legislative authority must have also created a parking and business improvement area.

The charge on lodging is in addition to any other assessments, fees, or taxes authorized by law. There can be up to six classifications upon which the charge shall be assessed. The classifications are to be based on the number of rooms, room revenue, or location within the area. Each classification will have its own rate, expressed in the term of nights of stay. The rate cannot exceed \$2.00 per night of stay.

Convention and tourism promotion are activities and expenditures to increase tourism and convention business. This includes advertising, publicizing or otherwise distributing information to attract and welcome tourists. It also includes the development of strategies to expand tourism and operating tourism destination marketing organizations. These activities must be for a county with a population greater than 400,000 but less than one million.

The Department of Revenue will administer and collect the fee. The convention and tourism account in the Treasurer's Trust Fund shall retain its share of the interest earnings.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

